



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

August 4, 2009

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
PROCUREMENT AND CONTRACTING REQUIREMENTS FOR DESIGNATED
PROJECTS (ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of the American Recovery and Reinvestment Act of 2009 (ARRA) procurement and contracting requirements. This would amend the Community Development Commission and Housing Authority's procurement and contracting policies and procedures to conform with 24 Code of Federal Regulations (CFR) Part 85.36 for ARRA-funded projects. The U.S. Department of Housing and Urban Development is directing community planning and development agencies and public housing authorities to amend their procurement standards and policies in order to expedite and facilitate the use of these funds.

**IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE
COMMUNITY DEVELOPMENT COMMISSION:**

1. Find that the approval of procurement and contracting requirements as required by the American Recovery and Reinvestment Act of 2009

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

5-H

AUGUST 4, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

(ARRA) is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.

2. Authorize and instruct the Executive Director to amend the Community Development Commission's procurement policies in order to expedite and facilitate the use of ARRA funds, in conformance with procurement requirements in 24 CFR Part 85 and the Buy American requirements of Section 1605 of ARRA.
3. Authorize the Community Development Commission to conduct informal procurement without advertisement for ARRA-funded contracts up to \$100,000, consistent with 24 CFR Part 85.
4. Authorize the Executive Director to approve and execute contracts up to \$100,000 funded wholly or mostly with ARRA funds.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY:

1. Find that the approval of procurement and contracting requirements as required by the American Recovery and Reinvestment Act of 2009 (ARRA) is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.
2. Authorize and instruct the Executive Director to amend the Housing Authority's procurement policies in order to expedite and facilitate the use of ARRA funds, in conformance with procurement requirements in 24 CFR Part 85 and the Buy American requirements of Section 1605 of ARRA.
3. Authorize the Housing Authority to conduct informal procurement without advertisement for ARRA-funded contracts up to \$100,000, consistent with 24 CFR Part 85.
4. Authorize the Executive Director to approve and execute contracts up to \$100,000 funded wholly or mostly with ARRA funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to amend the Community Development Commission and Housing Authority's procurement policies to comply with federal regulations regarding

the use of ARRA funds. In addition, to expedite and facilitate the use of ARRA funds, the amended policy would allow for informal procurement without advertisement for ARRA-funded contracts up to \$100,000. The policy would also increase the Executive Director's signature authority for ARRA-funded contracts to \$100,000.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, the U.S. Congress enacted the American Recovery and Reinvestment Act of 2009 (ARRA) making funds available to various County of Los Angeles (County) community development programs. The U.S. Department of Housing and Urban Development (HUD) directs community planning and development agencies and public housing authorities to amend their procurement standards and policies in order to expedite and facilitate the use of these funds. HUD further directs that the policy amendment must be done in writing and include the Buy American requirements of Section 1605 of ARRA.

The amended policy must comply with 24 CFR Part 85, and any requirements relating to the procurement of goods and services arising under state and local laws and regulations shall not apply to ARRA funds. The Commission and Housing Authority currently meet all the requirements set by 24 CFR Part 85. Furthermore, although 24 CFR Part 85 allows for informal procurement without advertisement for contracts up to \$100,000, the Commission and Housing Authority have limited this authority to \$25,000. The amended policy would allow the Commission and the Housing Authority to informally procure without advertisement for ARRA-funded contracts up to \$100,000, consistent with 24 CFR Part 85. In addition, to expedite and facilitate the use of ARRA funds, the amended policy would increase the Executive Director's signature authority for ARRA-funded contracts to \$100,000.

The Buy American provision under Section 1605 of ARRA states that no ARRA funds may be used for a public buildings/works project unless "all iron, steel and manufactured goods used in the project are produced in the U.S."

Exceptions are allowed for cases:

- where HUD determines adherence would be "inconsistent with the public interest",
- where iron/steel/manufactures are not produced in the U.S. in sufficient and available quantities, or
- inclusion of U.S. products would increase overall project cost by 25%

The implementation of this section is expected to stimulate the economy by increasing and maintaining jobs in the United States in the steel, iron, and manufactured construction materials industries and providing new opportunities in construction and public works projects.

On July 22, 2009, the Housing Commission recommended approval of the proposed procurement and contracting policies for ARRA-funded contracts.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves an administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM

Approval of this administrative procedure will satisfy the requirements set forth in the American Recovery and Reinvestment Act of 2009, and will facilitate and expedite the use of ARRA funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

cc: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors